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H06

# ANNUAL ACCOUNTABILITY REPORT

Fiscal Year 1995-96

## SC HIGHER EDUCATION TUITION GRANTS COMMISSION (H06)

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Edward M. Shannon, III, Agency Director

4/15/97

### MISSION STATEMENT

The mission of the South Carolina Higher Education Tuition Grants Commission is to administer a state-funded, need-based tuition grants program(s) for the State of South Carolina to assist eligible South Carolina residents with demonstrated financial need attend certain in-state, accredited independent colleges on a full-time enrollment basis.

By providing need-based tuition grants to these students, the State of South Carolina gains maximum usage from the available independent higher education facilities located throughout South Carolina, assists in the education of our state citizenry by helping offset for our state residents the cost of attending certain in-state, independent colleges just as the State offsets the cost of our state residents attending South Carolina public colleges, helps to preserve the dual system of public and independent college higher education in South Carolina which provides healthy competition between the public and independent colleges, saves the State of South Carolina millions of tax dollars annually by attracting students into the independent college sector thereby saving the automatic per student state subsidy that goes to all South Carolina public college students regardless of their financial need, and gives South Carolina residents the choice of attending a public or an independent college and allows them to make their college-choice decision based on their academic needs rather than solely on the cost of the institution.

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STATE DOCUMENTS

## **PROGRAM GOALS, OBJECTIVES, AND PERFORMANCE MEASURES**

### **PROGRAM NAME:**

Higher Education Tuition Grants

### **PROGRAM GOAL:**

To provide financial assistance in the form of need-based state tuition grants to qualified South Carolina residents electing to attend on a full-time basis certain SACS accredited South Carolina independent junior and senior colleges.

### **PROGRAM OBJECTIVES:**

- 1) To gain maximum usage from the available independent college facilities located in South Carolina; and,
- 2) To help our state residents offset the cost of attending certain accredited South Carolina independent colleges, just as the state offsets the cost of attending South Carolina public colleges for our state residents; and,
- 3) To preserve the dual system of public and independent college higher education in South Carolina; and,
- 4) To save the State of South Carolina tax dollars by attracting South Carolina residents into the SC independent college sector, thereby saving the automatic per student state subsidy that goes to every student attending a SC public college regardless of financial need; and,
- 5) To give South Carolina residents the opportunity to choose their college based on their academic needs rather than solely on the cost of the institution.

### **PERFORMANCE MEASURES:**

- 1) The total of FTE positions at the SC Tuition Grants Commission was reduced through attrition from 7 to 5 full-time positions in 1990. The agency now uses the services of the federal central computer application processing center which is provided at no cost to state agencies. The reduction in the number of full-time employees saved the salaries and the fringe benefits being paid to these former employees. The five full-time employees worked 9,750 hours in 1995-96 with duties related to the 15,671 SC Tuition Grant applications received. This averages about 1.60 employee-hours per application.



2) Of the total state dollars appropriated for the SC Tuition Grants Program in 1995-96, only 1.5% of the budget goes into program administration with the remaining 98.5% of the state funds being awarded to SC students in the form of need-based state tuition grants.

3) In a survey of SC Tuition Grant recipients, 80% indicated that without the assistance they would have been unable to attend the SC independent college that provided the best academic curriculum for their needs. Most of these students would have enrolled in the SC public college sector at a greater cost to the State of South Carolina and many of them would not have gone to college at all.

4) Since the creation of the SC Tuition Grants Program in 1970, 168,029 tuition grants have been made assisting 101,713 different South Carolina students to attend the independent colleges of their choice.

5) The SC Tuition Grants Program has opened the door of educational opportunity to thousands of South Carolina residents through the availability of 20 South Carolina independent colleges approved to participate in the program. All colleges are non-profit and are required by state statute to be fully accredited by the Southern Association of Colleges and Schools (SACS). The number of participating colleges has increased from three (3) initially to twenty (20) in the FY 1995-96 award year. These institutions are geographically located in every region of South Carolina and are conveniently available to commuter students living in all areas of the state.

6) In 1995-96, the SC Tuition Grants Commission processed 15,671 applications for SC Tuition Grants assistance. Each application was reviewed for financial need and all eligibles received award notices and upon full-time enrollment State of South Carolina checks for the amount of their semester eligibility. In the 1995-96 award year, the SC Tuition Grants Commission provided tuition grants to 8,950 eligible SC students. The average grant was \$2,075 which covered an average of 23% of the tuition cost of attending a SC independent college.

7) The SC Tuition Grant is a need-based grant and, unlike the automatic per student state subsidy going to all students attending SC public colleges regardless of financial need, not all SC independent college students qualify for assistance from the SC Tuition Grants Program. In 1995-96, the average of state dollars going to the 13,272 SC residents attending the twenty SC independent colleges was \$1,398. When compared to the almost \$4,700 average per student state subsidy that automatically goes to all students in the SC public college sector, there is a \$3,302 per student savings to the State of South Carolina for every SC resident attracted into the SC independent college sector. When considered on the program level, there is a \$43.8 million annual savings to the State of South Carolina resulting from the SC Tuition Grants Program. This does not include the additional state dollars that would be needed to build classrooms and dormitories and to hire additional faculty members in the event that all SC independent college students were to migrate into the SC public college sector.

8) In the 1950s, over 50% of South Carolina's college students were educated at independent colleges in South Carolina. By the late 1960s, this percentage had eroded to under 20%. Since the creation of the SC Tuition Grants Program in 1970, the percentage has stabilized at approximately 18% and has remained close to that level for a number of years. There is no doubt that the SC Tuition Grants Program has been effective in preserving the dual system of public and independent college higher education in South Carolina, a system that through healthy competition works for the betterment of both higher education segments in our state.

9) Beginning in the 1994-95 award year, the SC Tuition Grants Commission discontinued the use of a separate SC Tuition Grant application and instead began using the free federal application for Title IV Federal Student assistance as the application for a SC Tuition Grant. This allows all SC students to apply for state assistance through the completion of one federal application that is provided free-of-charge. The SC Tuition Grants Commission is able to electronically draw down the needed applicant data from the federal central processor and compute SC Tuition Grant eligibility. This change saves the SCTG Commission thousands of dollars annually by not having to print a separate application and also increased the efficiency and effectiveness of the commission in determining financial need of the applicants and notifying the students of their SC Tuition Grant eligibility.

10) Of the 18,481 full-time students attending the 20 participating independent colleges, 8,950 of them (48%) received SC Tuition Grants in 1995-96.

11) The \$17.5 million state appropriation for the SC Tuition Grants Program in 1995-96 represents only 3% of the state's total support of higher education. With this 3% investment, SC independent colleges educate 18% of the college and university students in our state, graduate nearly 30% of the degree recipients each year, provide 40% of our state's teachers, and nearly 50% of our state's minority teachers.

12) The total operating budgets of the 20 independent colleges participating in the SC Tuition Grants Program exceeds \$350 million annually.

13) The combined capital assets (physical plants and endowments) of the 20 participating SC independent colleges total over ONE BILLION DOLLARS. Thus, the state's \$17.5 million investment supports a \$1.35 BILLION industry.

14) Our studies indicate that on average 42.4% of the SC tuition grant recipients graduate within four years, ranging from a low of 20% at one SC independent college to a high of 74.6% at another SC independent college. In comparison, the 4-year graduation rate in the SC public college sector averages 30.4%, from a low of 9 percent at one SC public college to a high of 59% at another SC public college.